

**Chandrawat
& Partners**

Guide to do business in

FRENCH GUIANA





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ADVANTAGES

French Guiana is an overseas department and region of France, located on the northern coast of South America. As a French territory, French Guiana is part of the European Union and uses the euro as its currency. The economy of French Guiana is relatively small and is dominated by the public sector. The public sector is the region's largest employer and public spending accounts for a significant share of the region's Gross Domestic Product ("GDP"). French Guiana is also eligible for European Union ("EU") development funds, which are used to support infrastructure projects and economic development initiatives. French Guiana also has significant bauxite reserves, which are currently being explored by foreign companies.

There are several advantages to doing business in French Guiana, including:

Stable political and legal environment

As an overseas department of France, French Guiana benefits from a stable political and legal environment. The legal system is based on French law, which is well-established and transparent. The region is also part of the European Union, which provides additional legal protections and stability.

Access to EU markets

French Guiana is part of the European Union, which provides businesses with access to a large market of more than 500 million consumers. This can be especially advantageous for businesses looking to export products or services.

Competitive tax incentives

French Guiana offers several tax incentives to businesses, including exemptions from corporate income tax and the property tax for a period of up to five years. There are also reduced social security contributions for newly established companies.

Strategic location

French Guiana is located in a strategic position in South America, with access to markets in Brazil, Suriname, and other neighbouring countries. The region's proximity to the Caribbean and North America also makes it an attractive location for businesses looking to expand their operations in the Western Hemisphere.

Abundant natural resources

French Guiana has abundant natural resources, including gold, bauxite, and timber. This presents opportunities for businesses in industries such as mining, forestry, and renewable energy.

Skilled workforce

French Guiana has a skilled and multilingual workforce with a high level of education and technical training. The region also benefits from a high standard of living and a strong social welfare system, which helps to attract and retain talented workers.

Corporate tax

French Guiana is subject to the same corporate tax laws as mainland France. The corporate tax rate in France stands at 26.50 percent. As of 1 January 2023, the reduced corporate income tax rate of 15% applies to small corporations on their first EUR 42,500 of taxable profits.

Value Added Tax ("VAT")

French Guiana is part of the European Union's value-added tax (VAT) system. The standard VAT rate in France, and therefore in French Guiana, is currently 20%. However, reduced rates of 5.5% and 10% apply to certain goods and services, such as basic foodstuffs, pharmaceuticals, books, and newspapers.

Individual tax

French Guiana follows the same individual income tax laws as mainland France. The French individual income tax system is a progressive tax system, which means that the tax rate increases as income increases. It has several income brackets, each corresponding to a different tax rate, which varies from 0% to 45%. In 2023, the income tax rates in France for individuals are as follows:

- Up to €10,777- 0%
- From €10,778 to €27,478- 11%
- From €27,479 to €78,570- 30%
- From €78,571 to €168,994- 41%
- More than €168,994- 45%

The types of companies that can be established in French Guiana are similar to those in mainland France and include:

Sole proprietorship (Entrepreneur individuel)

This is the simplest and most common form of business entity in France, where the business is owned and run by a single individual.

Partnership (Société en nom collectif)

This is a form of business entity where two or more individuals share ownership and responsibility for the business. A partnership company (Société en Nom Collectif, or SNC) requires at least two partners. A partnership agreement is required that outlines the roles and responsibilities of each partner, the company's objectives, and profits and losses. It should be signed by all partners and notarized.

Limited liability company (Société à responsabilité limitée or SARL)

This is a separate legal entity with limited liability for its shareholders. The minimum share capital required to set up an SARL is €1.

Public limited company (Société anonyme or SA)

This is a separate legal entity with limited liability for its shareholders. The minimum share capital required to set up an SA is €37,000.

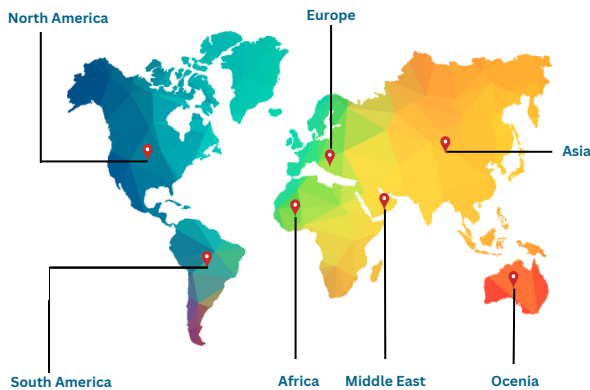
Simplified joint-stock company (Société par actions simplifiée or SAS)

This is a separate legal entity with limited liability for its shareholders. The minimum share capital required to set up an SA is €37,000.

Cooperative (Société coopérative or SC)

This is a business entity that is owned and controlled by its members, who share in the profits and decision-making.

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